

AN ORDINANCE

96951

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A HOSTING AGREEMENT WITH MISS UNIVERSE L.P., LLLP IN ORDER TO HOST THE 2003 MISS USA PAGEANT AT MUNICIPAL AUDITORIUM SCHEDULED FOR BROADCAST ON MARCH 24, 2003 ON THE NATIONAL BROADCASTING COMPANY (NBC) NETWORK; AND AUTHORIZING PAYMENT IN AN AMOUNT NOT TO EXCEED \$500,000 FOR ASSOCIATED STAGING AND PRODUCTION REQUIREMENTS.

* * * * *

WHEREAS, Miss Universe, L.P., LLLP ("Miss Universe") desires to hold the 2003 Miss USA Pageant ("Pageant") in San Antonio and the NBC Network intends to broadcast the Pageant live from San Antonio's Municipal Auditorium on Monday, March 24, 2003, with various taped segments of the show filmed at locations around the City; and

WHEREAS, hosting the Pageant is a premier marketing opportunity for San Antonio and will allow our City to gain major national and international media exposure, reinforcing to millions of viewers that San Antonio is a world-class destination, and one of the most beautiful backdrops anywhere for national and international television production; and

WHEREAS, during the NBC broadcast on March 24, 2003, San Antonio will receive nine (9) minutes of television exposure to a world-wide audience resulting in an estimated \$2 million in associated advertising value, as the broadcast on CBS in 2002 was watched by approximately 7.6 million consumers and it is anticipated that, due to the NBC networks commitment to the Pageant, the audience exposure will far exceed the 7.6 million viewers in 2002; and

WHEREAS, Miss Universe brings a strong community investment into the host city through community outreach and promotional events and the Convention and Visitors Bureau team will build upon these promotions with Miss Universe for various public relations opportunities; and

WHEREAS, the City's financial obligation to Miss Universe for staging the 2003 Miss USA Pageant is \$400,000 with an additional \$100,000 committed for the various hosting requirements related to accommodations, promotion, meals, security, telephones, transportation and facilities, bringing the total financial obligation to Miss Universe to \$500,000, as was appropriated in the FY 2003 adopted budget for event development and derived from the Pan American Games reserve; and

WHEREAS, since the Miss USA production intends to utilize the Municipal Auditorium for the period March 9, through March 28, 2003, the City may incur additional internal costs above the appropriated \$500,000 for facility, in-house security, as well as enhanced promotional and operational efforts and it is recommended that these costs be allocated from funds designated for event development from the Pan American Games reserve;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. A Hosting Agreement between the City of San Antonio and Miss Universe L.P., LLLP for the 2003 Miss USA Pageant to be held at Municipal Auditorium, scheduled for broadcast on March 24, 2003 on the National Broadcasting Company (NBC) Network and providing for associated staging and production requirements in an amount not to exceed \$500,000 is hereby authorized and approved.

SECTION 2. The City Manager, or her designee, is hereby authorized, for a period of sixty (60) days following the effective date of this Ordinance, to negotiate and execute said Hosting Agreement, a copy of which shall be attached upon final execution the parties.

SECTION 3. Funds in an amount not to exceed \$500,000 are authorized to be encumbered in Fund 29-005000 (Miscellaneous Special Revenue-Hotel/Motel Tax Fund), in Index Code 753525 entitled "Fees to Pros-Visitation and Mediation," and are made payable to Miss Universe L.P., LLLP.

SECTION 4. Funds in an amount not to exceed \$100,000 are authorized for encumbrance in Fund 29-005000 (Miscellaneous Special Revenue-Hotel/Motel Tax Fund), in Index Code 753525 entitled "Fees to Pros-Visitation and Mediation," for internal costs associated with promotional and operational costs and made payable to a contingent vendor.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance of the City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific index codes and fund numbers as necessary to carry out the purposes of this Ordinance.

LB
12/19/02
Item #33

SECTION 6. This Ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this 19th day of December, 2002.


M A Y O R
EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM:


 City Attorney

02-45

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MEETING OF THE CITY COUNCIL

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE – GENERAL MANAGER
CITY PUBLIC SERVICE – MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
TRAFFIC & DRAINAGE PLAN REVIEW
ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
FINANCE – ASSESSOR
FINANCE – CONTROLLER
FINANCE – GRANTS
FINANCE – PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT – NEIGHBORHOOD PLNG;
URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER:

DATE:

MOTION:

ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

33
DEC 19 2002

96951

NAME	ROLL	AYE	NAY
BOBBY PEREZ District 1		<input checked="" type="checkbox"/>	
JOHN H. SANDERS District 2		<input checked="" type="checkbox"/>	
ANTONIETTE "TONI" MOORHOUSE District 3		<input checked="" type="checkbox"/>	
ENRIQUE "KIKE" MARTIN District 4		<input checked="" type="checkbox"/>	
DAVID A. GARCIA District 5		<input checked="" type="checkbox"/>	
ENRIQUE M. BARRERA District 6		<input checked="" type="checkbox"/>	
JULIAN CASTRO District 7		<input checked="" type="checkbox"/>	
BONNIE CONNER District 8		<input checked="" type="checkbox"/>	
CARROLL SCHUBERT District 9		<input checked="" type="checkbox"/>	
DAVID CARPENTER District 10		<input checked="" type="checkbox"/>	
EDWARD D. GARZA Mayor		<input checked="" type="checkbox"/>	

02-45

MEETING OF THE CITY COUNCIL

Amendment - 1

33

AGENDA ITEM NUMBER:

DATE:

MOTION: *Perez*

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ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

NAME	ROLL	AYE	NAY
BOBBY PEREZ District 1		<i>about</i>	
JOHN H. SANDERS District 2		<i>✓</i>	
ANTONIETTE "TONI" MOORHOUSE District 3		<i>✓</i>	
ENRIQUE "KIKE" MARTIN District 4		<i>✓</i>	
DAVID A. GARCIA District 5		<i>✓</i>	
ENRIQUE M. BARRERA District 6		<i>✓</i>	
JULIAN CASTRO District 7		<i>✓</i>	
BONNIE CONNER District 8		<i>✓</i>	
CARROLL W. SCHUBERT District 9		<i>✓</i>	
DAVID CARPENTER District 10		<i>✓</i>	
EDWARD D. GARZA Mayor		<i>✓</i>	

To Cap the internal costs at \$100,000

Further noted a list of individuals to serve on a Host Committee to engage + assist the City in making this a first class event.

ALAMODOME
ASSET MANAGEMENT
AVIATION
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE – GENERAL MANAGER
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TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

HOSTING AGREEMENT - MISS USA® PAGEANT

By and Between Miss Universe L.P., LLLP and

The City of San Antonio, Texas

January 3, 2003

96951

12/19/02

HOSTING AGREEMENT - MISS USA® PAGEANT

AGREEMENT made this 3rd day of January, 2003 between Miss Universe L.P., LLLP, having an office at 1370 Avenue of the Americas, New York, New York 10019 ("Universe") and the City of San Antonio, Texas, having an office at 100 S. Flores, San Antonio, Texas 78205 ("Host").

WITNESSETH:

WHEREAS, Universe is engaged in the business of promoting and conducting a pageant known as the "MISS USA® Pageant" for the purpose of selecting a winner for the title "MISS USA®"; and

WHEREAS, Host desires Universe to conduct the 2003 MISS USA® Pageant ("Pageant") at the Municipal Auditorium and Conference Center ("Facility") located in San Antonio, Texas and to videotape activities at various locations other than Facility ("Remote Locations") under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties agree as follows:

1. Facility/Pageant Date. Universe shall hold the Pageant at the Facility. The live broadcast of the Finals Show of the Pageant is scheduled by National Broadcasting Company, Inc. ("NBC") to take place on March 24, 2003 on the NBC Television Network. The schedule of events culminating in the selection of a winner of the title "MISS USA" for the Pageant shall include a Presentation Show, Dress Rehearsal and the Finals Show.

2. Pageant Requirements.

(a) As the essence of Host's obligations under this Agreement, and as an inducement to Universe to enter into this Agreement, Host shall furnish Universe, or cause others to furnish Universe, in a timely fashion and without expense of any kind or nature to Universe, the following requirements, all of which are subject to Universe's approval, which shall not be unreasonably withheld:

(i) Facility and Appurtenant Facilities. Use of Facility, climate controlled (air-conditioned or heated, as applicable), for staging the Pageant during the "Pageant Period" (i.e., the date on which "Pageant Personnel" [production personnel, staff, talent, judges, VIPs and special guests] begin to arrive on location for the Pageant through and including the date on which Pageant Personnel last depart from the Pageant location), together with all appurtenant facilities, climate controlled, including, but not limited to, an executive staff office (as detailed in Paragraph 2(a)(iv)), a production office (as detailed in Paragraph 2(a)(iv)), a Pageant operations

office (as detailed in Paragraph 2(a)(iv)), dressing rooms, meeting rooms, and the like, as more specifically set forth in the Preliminary Facility Outline attached hereto and incorporated herein as Exhibit "A." Universe shall have access to and use of all existing technical equipment and utilities at the Facility (including, without limitation, the Facility's audio system) under supervision of Facility staff and appurtenant facilities during the Pageant Period; provided, however, that all costs relating to such Facility staff will be the sole responsibility of Host and that the requirement for supervision by Facility staff will not interfere with or impede Universe's production schedule. All appurtenant facilities shall be furnished in accordance with the specifications set forth in Exhibit A to the extent of current inventory. In the event any office equipment, furniture or other requirements set forth in Exhibit "A" must be supplied by a third party at an additional cost to Host, the cost of such requirements shall be paid in accordance with Paragraphs 2(b) and 2(c) below. The Facility stage area shall be equipped with all existing power and lighting requirements for color telecast throughout the world via satellite. Estimated power requirements are attached hereto and incorporated herein as Exhibit "B"; actual requirements will be determined following technical surveys. Universe may bring all necessary facilities and equipment into the Facility and appurtenant facilities during the Pageant Period. Universe shall have access to the Facility twenty-four (24) hours per day for a continuous (seven days a week) period of fourteen (14) days beginning on March 13, 2003 through and including March 26, 2003 during the Pageant Period and shall have access to the appurtenant facilities (including, without limitation, all office space) twenty-four (24) hours per day for a continuous (seven days a week) period of twenty (20) days beginning on March 9, 2003 through and including March 28, 2003 during the Pageant Period. During each of these periods, Universe's access to the Facility and the appurtenant facilities shall be exclusive, for the purposes of hanging scenery, placement of ramps and other physical requirements necessary for the staging and production of the Pageant, clean up and packaging of Universe's equipment. Host shall clear the loading dock, clear the Facility of scenery and lighting equipment from the stage area, if any, prior to commencement of the Pageant Period and shall restore Facility to its original condition in this regard following the Finals Show of the Pageant. Host shall be responsible for any reasonable seat installation/removal/replacement costs. Host shall recommend local contractors to Universe for any necessary construction to level the floor to accommodate camera movement, as well as construction of the stage and camera platforms. Universe agrees and acknowledges that it shall not hold Host responsible for the inability of the Facility to satisfy load-bearing weight requirements or any ceiling rigging requirements and Host shall not be in breach of this Agreement for said inability. Host agrees to use reasonable business efforts to meet Universe's ceiling load-bearing weight requirements and ceiling rigging requirements and to cooperate with Universe to attempt to satisfy these requirements.

(ii) Rehearsal Hall. Rehearsal Hall, as more specifically set forth in the Preliminary Facility Outline attached hereto and incorporated herein as Exhibit "A," for approximately fifteen (15) days (commencing two (2) days prior to arrival of Pageant delegates) during the Pageant Period, as scheduled by Universe. Rehearsal Hall is identified as the same venue as the primary Facility (Municipal Auditorium). Host acknowledges Universe's advice

that an additional rehearsal facility (with the same specifications as set forth on Exhibit "A") will be required by Universe during the Pageant Period. Host will use reasonable business efforts to assist Universe in securing an additional rehearsal facility at no cost or at a reduced cost. On the condition that Host uses reasonable business efforts to assist Universe in securing an additional rehearsal facility at no cost or at a reduced cost, Host will not be responsible for any costs associated with securing an additional rehearsal facility.

(iii) Cleaning Services. Daily cleaning services throughout the Pageant Period for the Facility and the appurtenant facilities furnished hereunder.

(iv) Headquarters. Two (2) to three (3) (as designated by Universe) fully equipped, climate-controlled offices during the Pageant Period to serve as Pageant and Production headquarters, as well as appurtenant office space (also fully-equipped and climate controlled) for executive offices. Each of the Pageant, Production and Executive offices shall be equipped with office equipment as set forth in Exhibit "A."

(v) Public Relations/Media Office. A climate-controlled media center during the Pageant Period. The Media Center shall be equipped with telephones and office equipment as set forth in Exhibit "A."

(vi) Parking. Host will supply all available parking spaces at the Facility which constitute a total of seven (7) free parking spaces at the West Loading Dock of the Facility during the Pageant Period for all properly identified automobiles and any automobiles being operated by Pageant Personnel presenting proper credentials.

(vii) Medical Services. Assistance in obtaining access to a qualified physician or physicians in the event of a medical or dental emergency and access to nearby emergency medical facilities if required for delegates and/or Pageant Personnel, at no expense to Host, for the Pageant.

(b) In addition to the requirements set forth in Paragraph 2(a), the parties acknowledge and agree that Host will use reasonable business efforts to assist Universe in securing the following requirements, subject to the terms and conditions set forth in Paragraph 2(c) below. The above notwithstanding, it is the understanding and intent of the parties hereto that, so long as Host uses reasonable business efforts to assist Universe in securing the requirements set forth in this Paragraph 2(b), Host's level of financial commitment for the following requirements shall in no event exceed the amount stipulated in Paragraph 2(c)(ii)(A) below. It is further understood by the parties hereto that March 2003 is expected to be a peak tourist period for the City of San Antonio, with many conventions, and securing complementary or reduced rates on the following listed requirements may not be possible. Therefore, on the condition that Host uses reasonable business efforts to assist Universe in securing the

requirements set forth in this Paragraph 2(b), Universe agrees not to hold Host responsible, in any manner, for such a failure to secure said complementary or reduced rates.

(i) Hotel Accommodations. First-class hotel accommodations during the Pageant Period (not to exceed two thousand six hundred [2,600] room nights/including a minimum of two hundred forty (240) suite nights [number of suite nights may increase depending on talent to perform at the Pageant], staggered throughout the Pageant Period with precise number to be determined by Universe based upon length of the Pageant Period and the number of Pageant Personnel), and reasonable laundry and dry cleaning services for delegates, delegate supervisors, talent and designated Universe staff. Any and all such arrangements shall be subject to Universe's approval. Delegate's hotel must have a minimum of fifty (50) rooms reserved for delegates and delegate supervisors, and the delegates' hotel must comply with the Delegate Hotel Specifications attached hereto and incorporated herein as Exhibit "D." Judges (with guests), talent (with guests) and certain other Pageant Personnel shall have suites. "Hotel accommodations" shall include only basic room rental charges and local telephone charges, together with applicable taxes.

(ii) Security. Security personnel (24 hours/day) as required to ensure adequate protection for (A) Universe personnel, judges, talent, delegates and delegate supervisors and (B) the equipment necessary for the production of the Pageant, including the Finals Show. Security personnel shall include police/security officers in numbers as shall be determined by Universe's Director of Security, in his sole discretion, for the total number of continuous days comprising the Pageant Period; provided, however, that Universe's Director of Security shall consult with the San Antonio Police Department ("SAPD") with respect to security personnel utilized at city-owned facilities, including the Facility. Additional police/security officers in numbers as shall be determined by Universe's Director of Security, in his sole discretion, shall be required for shows (Presentation Show, Dress Rehearsal and Finals Show) and Coronation Ball, subject to consultation with the SAPD with respect to security personnel utilized at city-owned facilities. Moreover, additional security may be required for certain talent, celebrity judges and/or VIPs as shall be designated by Universe for the Pageant; accordingly, Host shall cooperate with Universe's Director of Security in arranging such additional security through local law enforcement agencies or the like (type of additional security, including specific security company, if applicable, to be determined in Universe's Director of Security's sole discretion after consultation with the SAPD with respect to security personnel utilized at city-owned facilities). Host, through its Director, his designee or Host's Police Officers, reserves the right, in consultation with Universe's Director of Security, to eject any objectionable persons from the Facility. Host also acknowledges that Universe will install and strike video equipment in the delegates' hotel (video technician to be chosen by Universe) if Universe determines that the use of such equipment is a cost-effective means of securing the delegates' hotel and provide a bomb dog when required by Universe. In addition, Host specifically agrees to comply with and strictly adhere to Universe's instructions regarding credentials and high security access.

(iii) Meals. All meals (breakfast, lunch and dinner) for delegates and delegate supervisors and a limited number of Pageant Personnel (approximately eighty (80) persons) during the Pageant Period (including Remote Location shoots), together with all meals (breakfast, lunch and dinner; top quality available in San Antonio, Texas) for a maximum of ten (10) judges plus guests comprising the Preliminary Competition panel of judges while on location for the Pageant, and all meals (breakfast, lunch and dinner; top quality available in San Antonio, Texas) for a maximum of ten (10) judges plus guests comprising the Finals Show panel of Celebrity Judges while on location for the Pageant.

(iv) Host Committees. Host acknowledges its responsibility to assist Universe to establish committees to coordinate efforts, secure volunteers and work with Universe's staff in all matters relating to the Pageant in accordance with the Host Committees & Personnel Outline attached hereto and incorporated herein as Exhibit "C."

(v) Volunteers. Host shall assist Universe to provide adequate volunteers in accordance with the Host Committee and Volunteer Outline attached hereto and incorporated herein as Exhibit "C."

(vi) Local Ground Transportation. Ground transportation during the Pageant Period between the airports used by Pageant Personnel and delegates and the hotels, and from the hotels to the Facility or locations of other events or videotaping as may be required, including at least: (A) two (2) first class, climate controlled buses (with drivers) with a combined capacity of not less than ninety (90) persons; (B) sixty (60) cars; (C) at Universe's option, either limousine service (not to exceed eighty (80) hours for those persons designated by Universe) or cars with drivers for talent and VIPs (such cars shall count against the allotment set forth in clause (B) above); (D) a minimum of two (2) cargo vans (with drivers); and (E) one (1) first-class bus (with driver) with a capacity of at least thirty (30) people for the Preliminary Competition Judges, as well as additional transportation for the Finals Show panel of Celebrity Judges. All cars, buses and vans shall be climate controlled.

(vii) Parking. In addition to the parking provided by Host as referenced in Paragraph 2(a)(vi), Host will work with Universe to obtain free or discounted parking on adjacent properties to Facility as well as free or discounted parking during the Pageant Period at hotels and Remote Locations for all properly identified automobiles and any automobiles being operated by Pageant Personnel presenting proper credentials.

(viii) Telephones. All necessary telephone installations during the Pageant Period. Telephones will be located in the Pageant Headquarters Office, Production Office, Media Center, Executive Office and other locations as specified by Universe (e.g., edit bay, control room, stage area, prop room and the like) and will be coordinated after consultation with the Information Systems Department of the City of San Antonio. Total number of outside lines to be installed shall be approximately forty-five (45), of which at least ten (10) shall be unrestricted

(i.e., have long distance capability), and of which unrestricted lines at least three (3) shall be speaker phones. Number of telephone instruments to be provided shall be between seventy (70) and eighty (80), and telephones shall have roll-over capability in groups as specified by Universe. Twenty-One (21) private lines (internal calls only) shall be provided. In addition to the foregoing, Universe shall require a maximum of thirty-five (35) cellular phones and a T1 line, for use by designated Universe personnel.

(ix) Standby Generators. The Facility shall be equipped with standby generators (specifications attached hereto and incorporated herein as Exhibit "E") as required by Universe.

(x) Craft Services. Craft services during the Pageant Period for delegates, delegate supervisors, Pageant Personnel (including, but not limited to, staging crew and talent dressing rooms) and security personnel to be located at Facility and Remote Locations for the Pageant, together with canteen services for delegates in the Hospitality Suite(s) to be located on each floor on which the Delegates reside in the delegates' hotel, providing food and beverage items according to Universe's specifications as set forth in Exhibit "F" attached hereto and incorporated herein.

(xi) Maintenance. Maintenance for all office equipment furnished to Universe pursuant to Exhibit "A" of this Agreement; Universe shall be responsible for returning all such equipment in the same condition as it was received, reasonable wear and tear excepted, following the conclusion of the Pageant Period.

(xii) Functions. Arrangements (location, food, beverages, labor, gratuities, flowers, entertainment, taxes, etc.) in connection with the following functions as scheduled by Universe for the Pageant (numbers in parentheses indicate approximate attendance): (A) Delegate Supervisors Dinner (20-25) (business dinner/not an event); (B) Delegates' Orientation Dinner (80) (exclusive of local invitees to be determined by Host); (C) Judges Welcome Reception (35-40) and Orientation Brunch (or Dinner) (35-40) for the Preliminary Competition Panel of Judges; (D) Continental Breakfast for Preliminary Competition Panel of Judges preceding Personality Interviews (two (2) mornings (15)); (E) Judges Light Supper/Dinner preceding briefing session prior to Presentation Show (Preliminary Competition Panel (30)) and preceding briefing session prior to Finals Show (Celebrity Judges) (30)); and (F) separate Welcome Reception or Dinner and telecast day brunch for the Finals Show panel of Celebrity Judges (35-40).

(xiii) Ancillary Events. Organize and conduct ancillary events in connection with the Pageant, including, without limitation, a Coronation Ball following the Finals Show and a State Gifts Auction. The parties acknowledge and agree that a portion of the proceeds from the State Gifts Auction shall be donated to a local charity (the designation of such charity and the amount of the donation to be mutually agreed upon by the parties).

(c) Host and Universe acknowledge and agree that the requirements set forth in Paragraph 2(b) above shall be secured and paid for in the following manner:

(i) Host shall use commercially reasonable efforts to secure such requirements at no cost through local sponsorships.

(ii) In the event that Host is unable to secure any such requirements at no cost, Host shall use commercially reasonable efforts to secure such requirements at a reduced cost through local sponsorships and otherwise negotiating the most favorable terms (including price) for such requirements. The cost for such requirements shall be paid in the following manner:

(A) Host shall be responsible for the payment of the first One Hundred Thousand Dollars (\$100,000) in costs for such requirements. Upon execution of this Agreement, Host shall pay Universe, in the manner set forth in Paragraph 4(b) below, the sum of One Hundred Thousand Dollars (\$100,000) to be used toward the cost of such requirements. Any unused portion of such sum shall be repaid by Universe at such time as Universe renders an accounting to Host in accordance with Paragraph 5(d) below;

(B) If the cost of such requirements exceeds the sum of One Hundred Thousand Dollars (\$100,000), then any Net Revenues (as hereinafter defined) shall be used to pay such costs in excess of One Hundred Thousand Dollars (\$100,000). Net Revenues shall be defined to mean all cash revenues collected from (1) the sale of tickets to the Presentation Show, Dress Rehearsal and Finals Show and to the State Gifts Auction, Coronation Ball and any other ancillary events staged in conjunction with the Pageant, (2) the sale of gifts during the State Gifts Auction, (3) local sponsorships secured by Host and (4) any royalties, commissions or other monies payable to Host by any Facility Supplier or other concession rights holder selling or supplying goods and/or services at the Facility during the Pageant Period (including, without limitation, food and beverages) minus the following fees and/or expenses: (I) any admission, sales or similar taxes thereon; (II) any credit card charges, ticket service charges and the like in connection with the sale of tickets to any of the events set forth in clause (1) above; (III) any costs in connection with the printing, sale and distribution of tickets (as referenced in Paragraph 6 below); (IV) any costs in conducting the State Gifts Auction, Coronation Ball and other ancillary events; and (V) any revenues from the State Gifts Auction donated to a local charity; and

(C) If the cost of such requirements exceeds the aggregate amounts referenced in subparagraphs (A) and (B) above, then Universe shall pay such costs in excess of the aggregate amounts referenced in subparagraphs (A) and (B). Acceptance of any

arrangements resulting from Host's efforts shall be subject to the prior written approval of Universe, and Host shall not enter into or conclude any agreement, or sign for or otherwise commit Universe to any arrangement. Any agreement(s) concerning such arrangements shall be signed exclusively by Universe in its corporate name unless otherwise approved by Universe.

3. Facility Contracts. Universe understands that Host has contractual arrangements with suppliers for the Facility ("Facility Suppliers"). To the extent that Host's arrangements with any Facility Supplier provides such Facility Supplier with the exclusive right to furnish goods and/or services at the Facility during the Pageant Period, Host acknowledges and agrees that it will secure an exemption from such Facility Supplier in order to allow another supplier to provide such goods and/or services. Notwithstanding anything to the contrary in the preceding sentence, the following Facility Supplier contracts shall remain in full force and effect for the duration of this Agreement: (i) the contract with Ticketmaster to handle ticketing arrangements for events held at the Facility; (ii) the contract with the San Antonio Police Department concerning the services of off-duty police officers as security personnel for events held at the Facility; and (iii) the contract with a concessionaire to sell and/or serve alcoholic beverages, soft drinks and food to public spectators during events at the Facility. Universe acknowledges that the Facility Supplier contract with the concessionaire referenced in clause (iii) above grants such concessionaire the sole and exclusive right to sell and/or serve alcoholic beverages, soft drinks and food to public spectators during events at the Facility, and no food or beverage, samples or otherwise, may be served or distributed by Universe to public spectators during events at the Facility without the prior written consent of Host, nor shall public spectators for Pageant-related events at the Facility be permitted to bring food or beverages into the Facility. For avoidance of doubt, neither the Facility Supplier contract with the concessionaire referenced in clause (iii) above nor any other contractual arrangement covering the Facility prohibits Universe or Pageant Personnel from obtaining meals (including, without limitation, meals referenced in Paragraph 2(b)(iii) above) and craft services (as referenced in Paragraph 2(b)(x) above) from any supplier they select. In addition, Universe shall have approval rights, which it may exercise in its sole judgment and discretion, concerning the menu of food items and beverages sold and/or served by the concessionaire referenced in clause (iii) above during Pageant-related events at the Facility. In the event any Facility Supplier (including, without limitation, the Facility Suppliers referenced in clauses (i) through (iii) above) furnishes goods and/or services at the Facility during the Pageant Period, regardless of whether an exemption is granted, Host specifically agrees that any royalty, commission or other payment that otherwise would be payable to Host by any Facility Supplier furnishing goods and/or services at the Facility during the Pageant Period shall be used to pay for the costs of the requirements in Paragraph 2(b) pursuant to Paragraph 2(c)(ii)(B).

4. Compensation.

(a) Amount. For staging the 2003 MISS USA Pageant in San Antonio, Texas, and as a condition precedent to Universe's obligations herewith, Host shall pay to Universe the sum of Four Hundred Thousand United States Dollars (\$400,000 U.S.), net of applicable withholding

taxes, if any, as a cash location fee ("Location Fee"), payable as follows:

(i) One Hundred Thousand United States Dollars (\$100,000 U.S.), which shall be due and payable immediately upon execution of this Agreement by both parties;

(ii) One Hundred Thousand United States Dollars (\$100,000 U.S.), which shall be due and payable to Universe not later than January 10, 2003;

(iii) One Hundred Thousand United States Dollars (\$100,000 U.S.), which shall be due and payable to Universe not later than January 15, 2003; and

(iv) One Hundred Thousand United States Dollars (\$100,000 U.S.), which shall be due and payable to Universe not later than February 15, 2003.

(b) Wire Transfer. All payments due to Universe under this Agreement shall be made in United States Dollars, net of applicable withholding taxes, if any, and shall be payable by wire transfer to Miss Universe L.P., LLLP, c/o Chase Manhattan Bank, 380 Madison Avenue, New York, New York 10017, ABA Routing Number 021-000021, Account No. 230-289762.

5. Ancillary and Other Rights; Apportionment of Proceeds.

(a) Host acknowledges and agrees that Universe is the sole and exclusive proprietor and owner of the Pageant, all elements and all subsidiary and ancillary rights thereof, and Host shall have no right to share in any revenues to be derived from the exploitation of such rights except as explicitly provided elsewhere in this Agreement or in subsequent written agreements between the parties. Without limiting the generality of the foregoing, any rights and proceeds in connection with the Pageant, such as, by way of example and without limitation, television, radio, motion picture, Internet, endorsement, merchandising, publication (including, without limitation, publication of the official souvenir program book for the Pageant), sponsorship and any other similar or dissimilar similar rights and proceeds shall be the sole and exclusive property of Universe and Universe shall have the sole and exclusive right to broadcast, exhibit, distribute, advertise, publicize, promote or otherwise exploit by such means and for such purposes the Pageant, including, without limitation, the Presentation Show, the Finals Show and all other events and activities relating to the Pageant, throughout the universe and in perpetuity, in any and all media, now known or hereafter devised (including without limitation television [whether free, pay, cable, satellite or otherwise], theatrical, non theatrical, cassettes, discs and other home video devices, radio, the Internet and other on line or computer-assisted media, and print media), as Universe designates. All rights not explicitly granted to Host in this Agreement are expressly reserved to Universe.

(b) Host and Universe shall each be entitled to retain fifty percent (50%) of all Net Proceeds (as hereinafter defined) from (i) the sale of tickets to the Presentation Show, Dress

Rehearsal and Finals Show and to the State Gifts Auction, Coronation Ball and any other ancillary events staged in conjunction with the Pageant, (ii) the sale of gifts during the State Gifts Auction, (iii) local sponsorships secured by Host in accordance with Paragraph 9 below and (iv) any royalties, commissions or other monies payable to Host by any Facility Supplier or other concession rights holder selling or supplying goods and/or services at the Facility during the Pageant Period (including, without limitation, food and beverages). Net Proceeds shall be defined to mean all cash revenues realized from the matters set forth in clauses (i) through (iv) above minus the following fees and/or expenses: (A) any admission, sales or similar taxes thereon; (B) any credit card charges, ticket service charges and the like in connection with the sale of tickets to any of the events set forth in clause (i) above; (C) any costs in connection with the printing, sale and distribution of tickets (as referenced in Paragraph 6 below); (D) any costs in conducting the State Gifts Auction, Coronation Ball and other ancillary events; (E) any revenues from the State Gifts Auction donated to a local charity; and (F) any sums payable by Universe for Pageant requirements pursuant to Paragraph 2(c)(ii)(C) above.

(c) Host will provide Universe with an accounting of any cash revenues collected, and direct costs and/or expenses incurred, by Host in accordance with Paragraph 5(b) above within thirty (30) days after the conclusion of the Pageant. With respect to the sale of tickets, such accounting shall specify all tickets sold at each price range, all taxes paid on such tickets, all tickets sold through ticket services and their commissions, and all credit card transaction commissions paid, if any. Such accounting shall be accompanied by payment to Universe of any such revenues (minus direct costs and/or expenses) collected by Host. The receipt or acceptance by Universe of the accounting or any payments from Host pursuant to the accounting shall not preclude Universe from questioning the correctness thereof at any time or in any event bar, or in any way operate as an estoppel of, any rights or remedies of Universe to examine, inspect or audit Host's books and records as herein provided or to receive additional monies that may be found to be due, all of which rights and remedies shall survive and shall not be deemed to have been waived by any act or omission on the part of Universe.

(d) Universe will provide Host with an accounting of (i) the cost of the requirements set forth in Paragraph 2(b) above and (ii) cash revenue collected, and direct costs and/or expenses incurred, by Universe in accordance with Paragraph 5(b) above, within sixty (60) days after Universe's receipt of Host's accounting pursuant to Paragraph 5(c) above. In the event that Host is entitled to the payment of (i) any portion of the One Hundred Thousand Dollars (\$100,000) referenced in Paragraph 2(c)(ii)(A) above that is not used to pay for the cost of the requirements set forth in Paragraph 2(b) above and/or (ii) its fifty percent (50%) share of any Net Proceeds available for distribution in accordance with Paragraph 5(b) above, payment of same shall accompany Universe's accounting. The receipt or acceptance by Host of the accounting or any payments from Universe pursuant to the accounting shall not preclude Host from questioning the correctness thereof at any time or in any event bar, or in any way operate as an estoppel of, any rights or remedies of Host to examine, inspect or audit Universe's books and records as herein provided or to receive additional monies that may be found to be due, all of which rights and

remedies shall survive and shall not be deemed to have been waived by any act or omission on the part of Host.

(e) Each party shall keep accurate books of account and records covering all of their respective transactions relating to the matters set forth in this Paragraph 5. Each party and its duly authorized representatives shall have the right, on reasonable notice and during normal business hours, to conduct one (1) examination of said books of account and records and all other accounts, documents, and materials in the possession or under the control of the other party with respect to the matters set forth in this Paragraph 5 within one (1) year following the expiration or earlier termination of this Agreement. The examining party shall have free and full access thereto and shall have the right to make copies and/or extracts therefrom. All books of account and records shall be kept available for at least one (1) year after the expiration or earlier termination of this Agreement. If any inconsistencies or mistakes are discovered in such accountings or payments, they shall be immediately rectified and the appropriate payments made.

6. Tickets. The printing, sale and distribution of tickets for the Presentation Show, Dress Rehearsal, Finals Show and Coronation Ball, including ticket takers and ticket sellers, will be the responsibility of Ticketmaster pursuant to its contract with Host to handle ticketing at the Facility (as referenced in Paragraph 3 above). The actual third-party costs incurred in connection with the printing, sale and distribution of tickets to the events in the preceding sentence will be paid from the revenues from the sale of tickets to such events and such costs will be a deduction in determining Net Revenues pursuant to Paragraph 2(c)(ii)(B) above and Net Proceeds pursuant to Paragraph 5(b) above. Tickets for the Pageant events referenced below shall be subject to distribution in the following manner:

(a) The parties shall each receive, without charge, an initial allotment of tickets as follows:

(i) Universe shall receive Four Hundred (400) tickets for the Presentation Show, Three Hundred (300) tickets for the Dress Rehearsal, Five Hundred Fifty (550) tickets for the Finals Show and Six Hundred (600) tickets for the Coronation Ball. In addition to the foregoing, adequate press seating with placement in a primary location for the Presentation Show and Finals Show shall be made available, at no cost to Universe.

(ii) Host shall receive Fifty (50) tickets for the Presentation Show, Fifty (50) tickets for the Dress Rehearsal, Seventy (70) tickets for the Finals Show and Fifty (50) tickets for the Coronation Ball.

(b) One Hundred (100) tickets for the Presentation Show and Two Hundred (200) tickets for the Finals Show shall be set aside, at no cost to either Universe or Host, to fulfill sponsor obligations of both Universe and Host. Universe or Host shall each notify the other party in writing of any tickets obligations to the notifying party's sponsor(s) and, upon receipt of

such notice by the other party, the number of tickets specified by the notifying party shall be provided to the sponsor(s) identified by the notifying party. Host and Universe will negotiate in good faith to allocate the sponsor tickets in a fair and equitable manner. Any unused tickets will be made available for sale in accordance with subparagraph (c) below.

(c) Location of the tickets distributed pursuant to subparagraphs (a) and (b) above will be determined by Universe in its sole judgment and discretion. With limiting the foregoing, Host acknowledges Universe's advice that all of the tickets allocated to Universe in subparagraph (a)(i) above will be in preferential locations satisfactory to Universe, but in any event the tickets for the Presentation Show, Dress Rehearsal and Finals Show shall include the first two (2) rows immediately to the rear of the judges' location. With respect to the tickets allocated to Host in subparagraph (a)(ii) above, Universe will determine the location of those tickets in consultation with Host; provided, however, that the foregoing consultation right will be subject to the following: (i) such right being exercised in a reasonable and timely manner; and (ii) Universe's determination shall be final.

(d) All remaining tickets for the Presentation Show, the Dress Rehearsal, the Finals Show and Coronation Ball shall be made available for sale by Host to the general public, the proceeds of which shall be accounted for in accordance with Paragraph 5 above. Ticket prices will be established by Universe in consultation with Host; provided, however, that the foregoing consultation right will be subject to the following: (i) such right being exercised in a reasonable and timely manner; and (ii) Universe's determination shall be final.

7. Promotion of Host City.

(a) Universe shall promote the City of San Antonio, Texas, and areas within San Antonio as requested by Host, within the television broadcast of the Finals Show of the Pageant, subject to Universe's discretion and in keeping with Universe's past practices and subject to the approval of the broadcaster. In this regard, Universe shall provide Host with at least nine (9) minutes of combined direct and indirect air time which shall include, in part, the business climate, social and recreational attractions and cultural and educational environment that make the selected Host locations special. The aforementioned nine (9) minutes will include at least three (3) minutes of direct air time on San Antonio and tourist attractions as recommended by Host and approved by Universe and the broadcaster. In keeping with Universe's past practices, any telecast exposure for (i) local sponsors and (ii) individuals or entities supplying any Pageant requirements set forth in Paragraph 2(b) above, approved by Universe and the broadcaster in their sole judgment and discretion, will be included in the six (6) minutes of indirect air time provided to Host in this Paragraph 7(a). Host's exposure shall be dispersed throughout the Finals Show and shall be included in, but not limited to, pre-taped segments to be produced by Universe, at Universe's expense (which may be handled separately or intertwined within the Finals Show, at Universe's discretion), audio mentions within the Finals Show of the Host site or a reasonable number of roll-ins and roll-outs referring to the Pageant (for example, "Live from

the Municipal Auditorium and Convention Center in San Antonio, Texas”), telecast crawl credit, as well as on-camera introductions of not more than three (3) key Host organizers and/or representatives and scenic elements and sets which reflect the Host location. All telecast exposure and audio copy contained therein shall be subject to the approval of Universe and the broadcaster in their sole discretion.

(b) Wherever reasonably appropriate in connection with media coverage, Universe shall, consistent with its business requirements, make reference to "San Antonio, Texas, home of the 2003 MISS USA® Pageant."

(c) Universe shall provide Host with up to five (5) full-page editorial pages for use on behalf of Host (e.g., welcome letter; Host acknowledgments, etc.) and up to five (5) full-page advertisement pages (which may not conflict with any of Universe’s or the broadcaster’s clients or sponsors) in the Souvenir Program Book for the Pageant, at no cost to Host. Host acknowledges and agrees that the advertisement pages referenced in the preceding sentence are for use by official local sponsors only and Host is not permitted to sell or barter such advertisement pages to any other person or entity. All editorial and advertising pages are subject to the prior written approval of Universe, which approval shall not be unreasonably withheld. Host acknowledges and agrees that it must provide Universe with its advertising and editorial pages in a pre-approved format, at no expense to Universe. If requested by Universe, Host shall use reasonable efforts to assist Universe in securing approval for the sale of the Souvenir Program Book, at no cost to Universe as it relates to commissions on sales which may otherwise be due and payable therefore, in hotels affiliated with the Pageant (particularly the delegates’ hotel), and other locations located in San Antonio.

(d) Universe shall also reference San Antonio, Texas on Universe's Official Web site for the Pageant and shall cooperate with Host in the establishment of reciprocal links between Universe’s Official Web Site for the Pageant and the City of San Antonio, Texas’s Official Tourism Web site. The establishment of such links shall be subject to the following terms and conditions:

(i) The links between Universe’s Web site and Host’s Web site may be established following execution of this Agreement and shall continue through the end of the Term of this Agreement. Any proposed text and graphical artwork to accompany the linked pages shall be subject to Universe’s prior written approval, which approval shall not be unreasonably withheld. Each party shall not use the other party’s name, trademarks and/or service marks in any metatags on their respective Web sites.

(ii) No compensation shall be due to either party in connection with the links. Universe and Host shall each bear their own costs incurred in creating and/or modifying the linked pages or linked sites.

(iii) Each party shall be solely responsible for the development, operation, and maintenance of its Web site and for all materials that appear therein, including, but not limited to, (A) the technical operation of its Web site and all related equipment, (B) creating and posting information on its Web site, (C) the accuracy and appropriateness of materials posted on or incorporated into its Web site or provided for use on its Web site, (D) ensuring that materials posted on or incorporated into its Web site or provided for use on its Web site do not violate or infringe upon the rights of any third party (including, without limitation, copyrights, trademarks, trade secrets, privacy or other personal or proprietary matters); and (E) ensuring that materials posted on or incorporated into its Web site or provided for use on its Web site are not libelous and comply with all applicable laws and regulations.

(e) In the event Host is in breach of any material provision of this Agreement, Universe shall have the right to suspend performance under this Paragraph 7 until such time as such breach is fully remedied by Host. In the event Host fails to fully remedy such breach, Universe shall be entitled to withhold performance under this Paragraph 7 and the withholding of such performance by Universe shall not constitute a breach of this Agreement. Nothing contained in this Paragraph 7 shall affect or limit any other right or remedy, at law or equity, which may otherwise be available to Universe.

8. **Promotional Materials.** Host and Universe shall cooperate with each other in the promotion of the Pageant. Host shall not release any information regarding newsworthy events until Universe has released a press release disclosing that information. Host shall have the right to use the Universe Marks (as hereafter defined) in advertising, publicity, promotional and marketing materials in any and all media, during the term of this Agreement and for a period of twelve (12) months following the expiration of this Agreement, for purposes only of promoting the Pageant or San Antonio, Texas (but not as an endorsement of any product or service); provided that all such uses shall directly tie in to San Antonio as the Host City for the 2003 MISS USA Pageant. All such materials shall be subject to Universe's prior written approval and to the terms and conditions set forth in Paragraph 13 below; it being expressly agreed that Universe shall have the right to approve any preprinted promotional material, audio or video materials, local sponsor designations or the like produced by Host or sought to be used in connection with the Pageant. Universe shall have the right to use the name and logo of Host (including "the Municipal Auditorium and Conference Center" name and logo) in advertising, publicity, promotional, merchandising and marketing materials in any and all media, throughout the world in perpetuity, for purposes of promotion the Pageant, any future Miss Universe pageant and Universe's operations and activities. Universe shall provide Host with access, as determined by Universe in its sole judgment and discretion, to certain pageant events and activities, to be designated by Universe in its sole judgment and discretion, for the purpose of taking still photographs of such events and activities. Host shall have the right to utilize still photographs of the foregoing Pageant events and activities taken by Host's staff only in advertising and promotion materials during the term of this Agreement and for a period of twelve (12) months following the expiration of this Agreement, for purposes only of promoting the Pageant or San

Antonio, Texas (but not as an endorsement of any product or service); provided that all such uses shall directly tie in to San Antonio as the Host City for the 2003 MISS USA Pageant. Host is not granted any right or license to sell, or otherwise distribute for sale, any such photographs, promotional or advertising materials, or items related thereto. All such photographs and proposed advertising and promotional materials shall be subject to Universe's prior written approval, in its sole judgment and discretion, and to the terms and conditions set forth in Paragraph 13 below. It is specifically understood and agreed that Universe makes no representation and warranty of any kind whatsoever, express or implied, with respect to Host's use of such photographs. Host represents and warrants that it will obtain all required written consents and releases, and make all required payments, which are or may be necessary for the use of the photographs hereunder including, without limitation, if and to the extent required, consents and releases from those who appear recognizably in the photographs and from any unions and guilds which might have jurisdiction over the exploitation of the photographs.

9. Local Sponsorships. Host understands that Universe has or will contract with various entities to sponsor, present and/or supply products, goods, services and/or other consideration for the Pageant and to Universe. Notwithstanding the foregoing, Universe grants Host the non-exclusive right to authorize local sponsorships to assist Host in meeting the obligations hereunder. For the purpose of this Agreement, "local sponsorship" means sponsorship of the Pageant within San Antonio, Texas only (the "Territory") and includes no rights outside the Territory or within the telecast of the Finals Show of the Pageant. All such sponsorships are subject to Universe's prior written approval, which Universe may grant or withhold in its sole discretion, and no local sponsors may conflict or compete with clients and sponsors secured by Universe and the broadcaster. Any promotional or advertising arrangements in connection such local sponsorships shall be subject to Universe's and the broadcaster's prior written approval, such approval not to be unreasonably withheld, except that the broadcaster shall have sole discretion with respect to any promotional or advertising materials that make direct references to the broadcaster. Any local sponsorship agreements secured by Host shall provide that use of the Universe Marks by such local sponsors is subject to Universe's approval and provide further that Host may sublicense the use of such local sponsor's trademarks, service marks and other intellectual property to Universe to promote the Pageant and fulfill any contractual obligations.

10. Souvenir Merchandise.

(a) Universe hereby grants Host, subject to the terms, conditions and provisions of an agreement which may be negotiated and signed at a later date ("Merchandise Agreement"), an option to obtain a nonexclusive right, privilege and license to use and reproduce the Universe Marks in connection with the design, manufacture and sale of souvenir merchandise approved by Universe and specifically associated with a "San Antonio, Texas" reference and the Pageant (the "Licensed Product"), as more particularly set forth in such Merchandise Agreement. To be effective, the option must be exercised in writing by Host to be received by Universe on or before January 17, 2003. In the event Host exercises the option, the material terms of the

Merchandise Agreement to be negotiated and signed by the parties shall include, but not be limited to the following:

(i) The use by Host of the Universe Marks on or in connection with the Licensed Product, or in any other manner whatsoever, shall be solely as approved in writing by Universe in its discretion, in regard to which Host shall provide Universe with a sample or depiction of the Licensed Product and use of the Marks for Universe's written approval in advance of producing and/or manufacturing same;

(ii) Host shall use the Universe Marks only in accordance with Universe's instructions, to be set forth in the Merchandise Agreement;

(iii) Host shall pay to Universe a fifteen (15%) per cent royalty on all Licensed Product sold by Host, which royalty shall be calculated based on gross sales revenue, less applicable tax, if any. Host shall not be authorized to make any deductions on sales for the purpose of calculating royalties due to Universe without first securing Universe's prior written approval;

(iv) Host shall be permitted to sell or otherwise distribute the Licensed Product worldwide during the term of this Agreement only; and

(v) Host shall acknowledge Universe's prior advice that Universe shall directly or through arrangements with third-party vendors produce, sell and distribute the following merchandise in connection with the Pageant: (A) delegate photographs, a poster featuring all delegates to the Pageant and other merchandise that incorporates images of the delegates; and (B) a souvenir program book for the Pageant. Host shall further acknowledge that Universe has or may arrange for the production, sale and distribution of other merchandise in connection with the Pageant. Host acknowledges and agrees that it shall not sell or distribute any souvenir merchandise that is competitive with the souvenir program book, the poster or any other merchandise sold or distributed by Universe or any authorized third-party in accordance with this Paragraph 10(a)(v).

(b) In the event Host declines to exercise the option set forth in Paragraph 10(a) above, Host acknowledges Universe's intention to manufacture a line of souvenir merchandise for sale on location for the Pageant, in regard to which it is agreed as follows:

(i) Universe shall have the sole and exclusive right to produce and sell souvenir merchandise, delegate photographs and/or posters or the like for the Pageant (hereinafter collectively referred to as "Souvenir Merchandise"). Host further acknowledges and agrees that Universe may license these merchandising rights to another party ("Licensee").

(ii) Host approves the sale of Universe's Souvenir Merchandise at the Facility during the period commencing not later than the date of the Presentation Show through and including the Finals Show of the Pageant, at no cost to Universe or its Licensee as it relates to commissions on sales, which may otherwise be due and payable to Host and/or the Facility.

(iii) Host shall furnish Universe (or its Licensee) with at least two to three (2-3) sections of skirted tables (or such other display means as shall be agreed upon (e.g., kiosk set-up)), within the lobby of the Facility to display and sell Universe's Souvenir Merchandise and shall arrange for same to be situated in a location having access to power and telephone lines to accommodate cash register and credit card sales, to the extent possible. If requested by Universe, Host shall also furnish easels and poster boards for the display of delegate photographs and/or posters as part of Universe's line of Souvenir Merchandise for the Pageant.

(iv) If requested by Universe, Host shall use best efforts to assist Universe (or its Licensee) in securing approval for the sale of Universe's Souvenir Merchandise, at no cost to Universe as it relates to commissions on sales which may otherwise be due and payable therefore, in hotels affiliated with the Pageant (particularly the delegates' hotel), and other locations within San Antonio, Texas (e.g., newsstands).

(v) Host shall provide Universe (or its Licensee) with adequate locked space, if available, at the Facility to accommodate Universe's safe storage of Souvenir Merchandise overnight and/or at times when the Souvenir Merchandise is not being sold.

(vi) Universe shall be responsible for all costs incurred in hiring personnel to sell Souvenir Merchandise for the Pageant on Universe's behalf.

(vii) As between Host and Universe, Universe shall be entitled to retain all proceeds from the sale of Souvenir Merchandise for the Pageant.

Notwithstanding the foregoing, Host acknowledges that Universe is under no obligation to manufacture and/or exploit any Souvenir Merchandise and that if Universe elects to manufacture and exploit such merchandise, Universe is under no obligation to mention Host in connection with such merchandise.

11. Judges. Host acknowledges that Universe utilizes a two-panel judging system consisting of a Preliminary Competition Panel and a Finals Show Panel. Universe agrees that Host shall select one (1) judge (although Universe may, in the exercise of its sole discretion, allow Host to select more than one (1) judge) to serve as a Preliminary Competition Judge from San Antonio, Texas, provided that Host shall first obtain Universe's approval for such local judge. Host shall assist Universe in the selection process in accordance with judging guidelines and criteria to be furnished by Universe for this purpose.

12. Host Representations and Warranties/Authority to Enter Contract.

(a) Host warrants and represents to Universe that it has full legal right to enter into this Agreement and to grant Universe all rights provided therein. Host shall obtain, at its expense, all permits and licenses necessary for use of the Facility for the Pageant and for Pageant-related film and production activities involving city parks (e.g., the Alamo Plaza and Riverwalk) coordinated by the San Antonio Convention and Visitors Bureau during the Pageant Period; provided, however, that Universe shall obtain, at its expense, any permits and licenses necessary for specialized production elements (e.g., pyrotechnics). Universe will obtain, at its expense, any other necessary permits and licenses to hold the Pageant; provided, however, that Host will use reasonable business efforts to mitigate any potential costs to Universe associated with such other permits and licenses. For avoidance of doubt, it is understood and agreed that Universe will have no obligation to obtain, or pay for, permits and licenses to film any San Antonio locations that Host requests Universe to include in the television broadcast of the Finals Show of the Pageant pursuant to Paragraph 7(a) above; it being agreed by the parties that any such permits and licenses will be the sole responsibility of Host. If Host is unable or unwilling to secure any such required permits or licenses, Universe will have no obligation to film any such requested locations and/or include such requested locations within the broadcast of the Finals Show of the Pageant. It is further understood and agreed that refusal of authorities to allow the conduct of any or all Pageant activities or to grant the aforesaid permits or licenses shall not excuse Host from its obligations under this Agreement, provided that authorities are not obligated to allow, or grant permits or licenses for, the conduct of any Pageant activities that violate laws or local ordinances.

(b) Host's execution, delivery and performance of this Agreement has not and will not violate or otherwise adversely affect any agreement it has entered into with any third parties.

(c) Host shall obtain the cooperation of all necessary governmental or other officials and agencies required for the purposes of this Agreement.

13. Universe Trademarks.

(a) Host acknowledges that Universe is the owner of all right, title and interest in the MISS USA Pageant and the logos, trademarks and service marks relating to the MISS USA Pageant, including, but not limited to, "MISS USA," the "Woman With Stars" logo and the Universe crown design (collectively, the "Universe Marks") and nothing in this Agreement shall confer in Host any ownership in the MISS USA Pageant or the Universe Marks. Host's use of the Universe Marks shall inure to Universe's benefit and all rights in the Universe Marks shall be Universe's exclusive property. Host will not challenge or contest, assist in any challenge or contest to, the validity of the Universe Marks or of Universe's ownership or control thereof, or do anything or use the Universe Marks in any way to jeopardize or impair their validity or Universe's rights. Host will reasonably cooperate with Universe, at Universe's expense, in

prosecuting or defending any proceedings concerning the Universe Marks and in filing and prosecuting any trademark applications concerning any Universe Marks. Host further acknowledges that the broadcaster's trademarks and service marks (the "Broadcaster Marks") are the exclusive property of the broadcaster and that Host has no authority to use or exploit such marks without the prior written approval of the broadcaster.

(b) Host agrees that it will accurately portray the Universe Marks and the Universe Marks will not be used or portrayed in a manner which adversely affects, disparages or creates any negative inference as to the reputation, prestige, value, image, goodwill or impression associated with the Universe Marks, Universe, the MISS USA Pageant and its participants, nor will Host disparage or defame Universe or its respective officers, partners, agents, representatives, employees, affiliates or subsidiary or related companies, and/or the MISS USA Pageant by words, actions or other communications. Host agrees to use the Marks in full compliance with rules Universe prescribes from time to time in Universe's Trademark Manual or otherwise. Host is prohibited, except as expressly provided in this Agreement, from using any Universe Mark with any prefix, suffix, or other modifying words, terms, designs or symbols other than logos licensed by Universe to Host. Host shall not use Universe's Marks in connection with any service, product, good or program other than Host's participation in the Pageant, and Host is not granted any right or license under this Agreement to sell, or otherwise distribute for sale, any of the promotional or advertising materials, or items related thereto.

(c) Host specifically acknowledges and agrees that a breach by it of this Paragraph 13 would cause Universe injury and damage that could not be adequately compensated by an action at law. Therefore, in addition to any other remedies that Universe might have in the event of Host's breach of this Paragraph 13, Universe shall be entitled to injunctive and other equitable relief.

(d) Host has no authority to use such Universe Marks, or permit or cause another to use such Universe Marks, except in the manner and to the extent specifically authorized by this Agreement. Any unauthorized use of the Universe Marks by Host will constitute an infringement of Universe's rights and a material and incurable breach of this Agreement, which, unless waived by Universe, will entitle Universe to terminate this Agreement immediately upon notice to Host, with no opportunity to cure. The right to use the Universe Marks in accordance with this Agreement is non-exclusive, non-assignable and non-transferable.

14. Press. Accreditation of press personnel and issuance of press passes shall be determined within the sole and exclusive discretion of Universe. Accreditation of local (San Antonio) press personnel and issuance of press passes to local personnel shall be determined by Universe in consultation with Host; provided, however, that the foregoing consultation right of Host will be subject to the following: (A) such right being exercised in a reasonable and timely manner; and (B) Universe's decision shall be final.. Host shall cooperate with Universe in scheduling press releases and conferences, and Universe and Host shall work together to secure as much positive

press as possible for the benefit of Universe and San Antonio. Any publicity, paid advertisements, press notices, or other information with respect to this Agreement and/or the Pageant issued by Host or any person under its control shall be subject to Universe's prior written approval. Universe agrees that it will use its best effort to make available to credentialed local press personnel the delegates, subject to the production schedule and the delegates' other commitments, for interviews and the like.

15. Indemnification.

(a) Universe covenants and agrees to INDEMNIFY and HOLD HARMLESS Host and the elected officials, employees, officers, directors, volunteers and authorized representatives of Host, individually or collectively, from and against any and all third-party claims, liens, damages, judgments, losses, expenses (including, without limitation, reasonable attorneys fees and costs), fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind in law or in equity and nature arising out of any act or omission of Universe or any of Universe's employees, agents, consultants, contractors and representatives and their respective officers, agents, employees, directors and representatives

(b) The indemnity provided for in the foregoing paragraph shall not apply to any liability resulting from the negligence of Host, its elected officials, officers, directors, employees, volunteers and authorized representatives.

(c) IN THE EVENT UNIVERSE AND HOST ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE HOST UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS, FEDERAL, OR INTERNATIONAL LAW.

(d) Host will give Universe prompt written notice of any claim, demand, action or proceeding possibly coming within the purview of any indemnity set forth in this Agreement. Universe shall have the right to assume and control the defense of such claim, demand, action or proceeding upon Universe's written notice to Host of its intention to indemnify. Host shall cooperate with Universe and its attorneys, if any, in all reasonable respects in connection with the same. Host shall have the right to participate in the defense of same at its sole expense through counsel of its choice; provided, however, that Host shall not settle any claim without Universe's consent unless Host is willing to release Universe from its obligation of indemnity hereunder. The obligations to indemnify contained in this Paragraph 15 shall survive the expiration or termination of this Agreement.

(e) The provisions of this INDEMNIFICATION are solely for the benefit of the Parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. The obligations to indemnify contained in this Paragraph 15 shall survive the expiration or termination of this Agreement.

16. Insurance.

(a) Host and Universe each agree to obtain and maintain commercial general liability insurance or self-insure for the Pageant and other related events with coverage of at least (i) One Million (\$1,000,000) United States Dollars per occurrence for death or bodily injury and (ii) Two Million (\$2,000,000) United States Dollars general aggregate, including coverage for liability arising out of the consumption of food and/or alcoholic beverages obtained at any and all hosted events.

(b) Host and Universe each agree to obtain and maintain additional umbrella liability insurance of at least Four Million Five Hundred Thousand (\$4,500,000) United States Dollars per occurrence.

(c) Host and Universe each agree to obtain and maintain automobile liability insurance or self-insure on any vehicle operated in connection with the conduct of the Pageant, including owned, non-owned, hired or borrowed vehicles, with minimum limits of liability of at least One Million (\$1,000,000) United States Dollars per accident.

(d) Host and Universe each agree to obtain and maintain special property insurance or self-insure with coverage of at least One Million (\$1,000,000) United States Dollars for damage to property occurring in any one occurrence arising out of, or in any way connected with or caused by, directly or indirectly, the conduct of the Pageant or any element thereof.

(e) Host and Universe each agree to obtain and maintain workers' compensation insurance or self-insure in compliance with statutory requirements, for their respective employees who perform operations under this Agreement.

(f) All insurance coverage, except self-insurance, as set forth in subparagraphs 16(a)-(e), shall be issued by a carrier that has an A.M. Best Rating of B+vii or greater. Host shall be named as an additional insured in each such insurance policy maintained by Universe. Each party shall provide the other party with certificates of insurance or proof of self-insurance evidencing the required coverage no later than thirty (30) days following execution of this Agreement. Each party agrees to renew all insurance policies and documents and on renewal, to furnish the other party renewal certificates of insurance before the expiration date of the policy in question. Said insurance coverage shall be in effect for a period commencing not later than thirty (30) days prior to the scheduled telecast date of the Finals Show of the Pageant and ending not earlier than midnight, three (3) days subsequent to the date of the Finals Show of the Pageant.

Each party agrees that it shall not reduce the policy limits, restrict coverage, cancel, fail to renew or otherwise alter or amend in any material respect its respective insurance policies without the other party's written consent. The insurance policies shall provide that at least thirty (30) days prior written notice to each party of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend in any material respect the policy. As between Host and Universe, Host's liability insurance shall be primary to and not excess of, and without right of contribution from, any insurance provided for the benefit of Universe. Host acknowledges and agrees that its insurers shall waive all rights of subrogation against Universe for any claims paid under Host's insurance policies, unless the claim arises out of Universe's sole fault, negligence or breach of this Agreement.

(g) Universe acknowledges Host's advice that Host is a political subdivision of the State of Texas and is subject to and complies with the applicable provisions of the Texas Tort Claims Act, as set out in the Texas Civil Practice and Remedies Code, §101.001 *et seq.*, and the remedies authorized therein regarding claims or causes of action that may be asserted by third parties for accident, injury or death.

17. Non-Broadcast of Pageant. Universe and Host agree that if the Finals Show of the Pageant is not televised (live or taped) by free, cable or subscription television within the United States by May 31, 2003, Universe shall not be deemed to be in breach of this Agreement as a result of the failure to broadcast the Finals Show of the Pageant. Universe and Host further agree that in the event the Pageant is not broadcast, Universe shall refund the Location Fee to Host and that the refund of such Location Fee will be the full obligation of Universe to Host and the sole recourse of Host against Universe.

18. Term. This Agreement shall become effective upon the date of execution and shall expire on April 30, 2003, unless terminated earlier pursuant to the terms hereof (the "Term").

19. Use of Facility.

(a) CONTROL OF BUILDING. In furnishing the Facility, Host reserves the right to control the management thereof, and to enforce all necessary and reasonable rules for the management and operation of said premises; provided, however, that the reservation of the foregoing rights will not (i) conflict with or contravene the rights of Universe granted in this Agreement or (ii) interfere with or impede Universe's production schedule.

(b) UNIVERSE'S PROPERTY. All of Universe's property shall be removed from the Facility on or before 11:59 p.m., on the 28th day of March, 2003. In the event that the Facility is not vacated by Universe on the date and time above named, Host is hereby authorized to remove from the Facility and to store at the reasonable expense of Universe all personal property of any and all kinds and description which may then be occupying the Facility. Host shall not be liable for any damages to or loss of such personal property which may be sustained

due to such removal or resulting from the place to which it may be removed. Host is hereby expressly released from any and all claims for any damages of whatever kind or nature arising from Host's removal of such personal property from the Facility in accordance with this subparagraph (b).

(c) DAMAGES. Universe will not cause or permit any nails or any other things to be driven into any portion of the Facility, nor cause or permit any changes, alterations, repairs, painting or staining of any part of the Facility or furnishing or the equipment thereof, nor do or permit to be done anything which will damage or change the finish or appearance of the Facility or the furnishings thereof. Universe will pay the reasonable costs of repairing any damages which may be done to the Facility or any of the fixtures, furniture or furnishings thereof, reasonable wear and tear excepted, by an act of Universe or any of Universe's employees or agents.

(d) SEATING CAPACITY. In no event shall attendance at a meeting, dinner, concert, entertainment, exhibition or other event be in excess of the designated capacity as determined by the City's Fire Marshall.

(e) AISLES AND ALL ACCESS CLEAR. To the extent within Universe's control, Universe will permit no chairs, movable seats or other obstructions to be or remain in the entrances, exits, or passageways and will keep same clear at all times. No portion of the sidewalk, entries, passage, vestibules, halls, elevators, or access to public utilities of said building shall be obstructed by Universe or used for any purpose other than for ingress and egress to and from the Facility.

(f) Host shall have the sole right to collect and have custody of articles left in the building by persons attending any performance, exhibition, or entertainment given or held on the Facility.

20. Termination

(a) Either party may terminate this Agreement, without liability to the other party and without prejudice to or limitation of any other rights or remedies, in law or equity, that such party may have, ten (10) days after written notice to the other party of such other party's breach or default of any provisions or any of its obligations under this Agreement in any material respect (five (5) days in the case of failure to pay), which breach is not remedied to the non-breaching party's reasonable satisfaction within such notice period.

(b) In the event Universe terminates this Agreement in accordance with subparagraph (a) above, Universe shall be entitled to retain for its account all sums paid to Universe by Host up to and including the date of termination, including any funds paid under Paragraph 2(c)(ii)(A). In the event Host terminates this Agreement in accordance with Paragraph

20(a) above, Host shall be entitled to reimbursement of any and all sums Host has paid to Universe up to and including the date of termination, including any funds paid under Paragraph 2(c)(ii)(A). Notwithstanding anything to the contrary in this Paragraph 20, if Host attempts to terminate this Agreement pursuant to subparagraph (a) above and Universe in good faith contests the purported termination, Host shall not be permitted to exercise the remedies set forth in this Paragraph 20 unless and until a competent trier of fact has determined that Universe has materially breached this Agreement and that Host is entitled to exercise its right of termination pursuant to Paragraph 20(a) above.

(c) In the event Universe enters into an agreement with a third party to host the 2003 MISS USA Pageant due to Host's breach hereunder, Host shall remain liable for all sums payable by Host under Paragraph 4 of this Agreement and shall reimburse Universe for all costs incurred by Universe in producing, presenting and conducting the 2003 MISS USA Pageant. Notwithstanding the foregoing, Universe shall reduce the amount owed to it by Host by the amount paid to Universe pursuant to Universe's agreement with such third party.

21. Force Majeure. Any delay or failure of either party to perform its obligations hereunder shall be excused to the extent that it is caused by an event or occurrence beyond its reasonable control such as, by way of example and not by way of limitation, acts of God, actions by governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage or labor problems, provided the party claiming *force majeure* promptly notifies the other party of the event of *force majeure*, the anticipated duration of the event of *force majeure*, and the steps being taken to remedy the failure. Should the event of *force majeure* continue beyond thirty (30) days, or such shorter time period as may be reasonable under the circumstances, either party may terminate this Agreement, it being expressly understood that in such event, Universe shall be free to enter into agreements with other parties to conduct the Pageant covered by this Agreement at an alternative facility. In the event of such termination, Host's sole and exclusive remedy shall be the reimbursement of any and all sums it has paid to Universe pursuant to Paragraph 4 up to and including the date of termination. For avoidance of doubt, Host will not be entitled to the reimbursement of any and all sums it has paid to Universe pursuant to Paragraph 2(c)(ii)(A).

22. Exclusivity. Host agrees that it will not, without Universe's prior consent, sponsor or affiliate in any way, directly or indirectly, with any other national beauty contest in 2003 (it being understood that the MISS TEXAS USA[®] Pageant, the MISS TEXAS TEEN USA[®] Pageant, and pageants affiliated with and preliminary thereto, do not constitute a national beauty contest).

23. Policies of Universe. The conduct and policies of the MISS USA Pageant shall rest solely and exclusively with Universe.

24. Anti-Discrimination. Neither party shall discriminate against a delegate because of race, color, religion or national origin.

25. Binding Legal Obligation. Host represents that this Agreement is the binding and legal obligation of Host, and Host shall take whatever action may be required to ratify and confirm the binding and legal effect hereof. Similarly, Universe represents that this Agreement is the binding and legal obligation of Universe, and that it shall take whatever action may be required to ratify and confirm the binding and legal effect hereof.

26. Confidentiality. The parties agree that the financial and other business terms of this Agreement are confidential and that neither party will disclose those terms to any third party without the prior written consent of the other party, except as actually required by law, to their respective attorneys, accountants or other representatives, as reasonably necessary for each party to perform its obligations hereunder or enforce or enjoy its rights and/or remedies hereunder. The parties hereto understand that Host is a public entity and is subject to open records requests. In the event that Host receives any requests or are required by applicable law (whether pursuant to an open records request, oral questions, interrogatories, requests for information or documents, subpoena, civil investigation demand or similar process) to disclose any information related to the subject matter of this Agreement, Host will notify Universe promptly of such request, and shall use good faith efforts to provide Universe with the fullest possible opportunity to seek, at its own request, an appropriate protective order. If the request is an open records request and the subject matter is confidential, then Host also will notify the Attorney General of the State of Texas that Universe will submit an objection to the request.

27. Director Liability. No directors, officers, partners, stockholders or employees of Universe or Host, or their affiliated or related companies, whether past, present or future, shall have any liability arising out of or in connection with this Agreement by reason of said person's status as such.

28. Section 508 - FCA: Host will conform to the requirements of Section 508 of the Federal Communications Act of 1934 concerning broadcast matter and disclosures required thereunder, insofar as that Section applies to persons furnishing program material for television broadcasting. Host agrees that, without the written approval of Universe and the broadcaster, no broadcast material for any of the Pageant will include any matter for which any money, service or other valuable consideration is directly or indirectly paid, or promised to, Host by a third party, or accepted from or charged to a third party by Host. Host shall exercise reasonable diligence to inform its officials and employees, and other persons with whom it deals directly in connection with the Pageant, of the requirements of such Section; provided, however, that no act of any such official or employee or of any independent contractor connected with the Pageant, in contravention of the provisions of such Section, shall constitute a breach of the provisions of this paragraph unless Host or an elected official or senior or supervisory official or executive of Host has notice thereof and fails promptly to disclose such act to Universe. As used

in this paragraph, the term "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use in, or in connection with, the Pageant "unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast," as such terms are used in Section 508.

29. Notices. Any notice required or permitted to be given by either party under or in connection with this Agreement shall be in writing and shall be served by certified mail, return receipt requested, postage prepaid, or by facsimile, expedited carrier service, or personal delivery as provided herein. Service of any notice upon either party shall be deemed complete if and when the same is personally delivered or delivered by facsimile or courier to such party, or three (3) days following its deposit in the United States mail, and addressed to the party who is the recipient at the address set forth below:

To Universe: Paula M. Shugart
President
Miss Universe L.P., LLLP
1370 Avenue of the Americas
16th Floor
New York, New York 10019

With a copy to

Craig A. Isaacs
Vice President, Legal Affairs
Miss Universe L.P., LLLP
1370 Avenue of the Americas
16th Floor
New York, New York 10019

To Host: Dale Lockett
Acting Director, Convention and Visitors Bureau
City of San Antonio
203 South St. Mary's Street
2nd Floor
San Antonio, Texas 78205

With a copy to

Yolanda Ledesma
Acting City Clerk

100 South Flores
2nd Floor
San Antonio, Texas 78205

Any party hereto may change its address and/or designees for the purpose of receiving any notice by giving written notice in the manner aforesaid to the other party or parties hereto.

30. Applicable Law, Non-Binding Mediation, Remedies and Forum.

(a) This Agreement, all relations between the parties, and any and all disputes between the parties shall be construed in accordance with the Constitution and laws of the State of Texas.

(b) Prior to filing suit, the parties to this Agreement shall use non-binding mediation to resolve any controversy, claim or dispute arising under this Agreement. If any of the provisions of this subparagraph (b) are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law. To initiate non-binding mediation, a party shall give written notice to the other party or parties. In the mediation process, the parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by JAMS/Endispute at the request of a party. Any mediator so designated must be acceptable to all parties. The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt with the assistance of the mediator, to reach an amicable resolution of the dispute. Any finding by the mediator shall be a non-binding determination. The mediation will be treated as a settlement discussion and therefore will be confidential in accordance with Tex. Civ. Prac. & Rem. Code §154.073. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. All mediations shall take place in San Antonio, Bexar County, Texas, at a location agreed to by the parties hereto.

(c) Either party may seek emergency relief (including injunctive relief) in court, without first resorting to mediation, and prior to the appointment of any mediator. Notwithstanding the foregoing, the parties agree that such right to emergency relief (including injunctive relief) shall not include any injunction preventing Universe from licensing the right to exhibit the Pageant telecast, or otherwise preventing any licensee from exhibiting the Pageant telecast.

(d) In the event that the parties are unable to resolve any dispute through the mediation procedure set forth in subparagraph (b) above, venue of any court action brought

directly or indirectly by reason of this Agreement shall be in the federal or state courts located in Bexar County, Texas.

31. General Provisions.

(a) This instrument and the exhibits hereto constitute the entire Agreement between the parties concerning the subject matter of this Agreement. This Agreement supersedes all prior negotiations, understandings and agreements between the parties hereto with respect to the subject matter hereof, and each party acknowledges and agrees that it has not relied on any representations or promises in connection with this Agreement not contained herein.

(b) This Agreement may not be canceled, modified, changed, amended or waived, in part or in full, except by a written instrument signed by an authorized representative of each party.

(c) No failure or delay by either party at any time to enforce or require performance by the other party of any provision of this Agreement shall be deemed or construed to be a waiver of any preceding or succeeding breach of same or any other provision, nor constitute a waiver of the provision itself.

(d) If any provision, sentence or clause of this Agreement is determined to be void or unenforceable, such determination shall have no effect upon any other provision, sentence or clause of this Agreement, all of which shall continue unimpaired and in full force and effect.

(e) Any provision of this Agreement, which imposes an obligation following the termination or expiration of this Agreement, will survive such termination or expiration, and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and permitted assigns.

(f) The captions of this Agreement are inserted solely for convenience and shall not be affect the meaning or construction of the contents of the respective provisions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against either party.

(g) Host may not assign this Agreement, or assign or delegate any rights, privileges or obligations hereunder, in whole or in part, without the prior written consent of Universe. Any actual or attempted assignment by Host of this Agreement or any interest in this Agreement in violation of this subparagraph will be null, void and of no effect. Without the written consent of Host and subject to the City of San Antonio City Council approval, Universe shall not assign this Agreement other than (i) in connection with a sale of all or substantially all of the assets of Universe or (ii) to an entity, controlling, controlled by, or under common control with Universe. In event of an assignment in accordance with the preceding sentence, Universe will be relieved

of all its obligations to Host hereunder to the extent that such obligations are assumed in writing by any such assignee.

(h) It is the intention of Host and Universe that Host and Universe are, and shall be deemed to be, independent contractors with respect to the subject matter of this Agreement, and nothing contained in this Agreement shall be deemed or construed in any manner whatsoever as creating any partnership, joint venture, employment, agency, fiduciary or other similar relationship between Host and Universe. Except as expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any obligation or debt in the name of or on behalf of the other party.

(i) The parties may execute this Agreement in separate counterparts, each of which shall be deemed an original instrument as against the party who has signed it. Each party's signature at the bottom hereof will signify acceptance of, and agreement to, the terms and provisions contained herein. Facsimile copies of this Agreement shall have the same force and effect as an original. This Agreement shall not be binding on either party, and neither party shall be under any legal obligation whatsoever as a result of this Agreement, unless and until both parties sign this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

MISS UNIVERSE L.P., LLLP

By: Paula M. Shugart
Paula M. Shugart, President

CITY OF SAN ANTONIO, TEXAS

By: Terry M. Brechtel
Terry M. Brechtel, City Manager

Attest: Blanche L. Ledesma
City Clerk

Approved As To Form: Iver Budger for
City Attorney

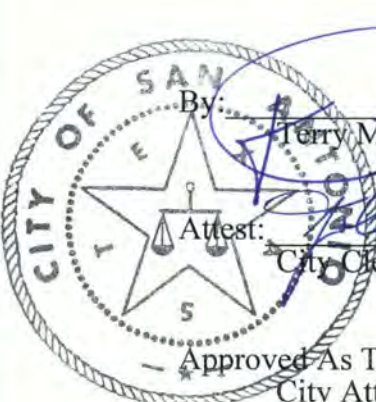


Exhibit "A"

PRELIMINARY FACILITY OUTLINE
MISS USA PAGEANT

<u>SPACE</u>	<u>USE</u>
TBD	<p>Office Space (4,000 sq. ft., 2-3 rooms) Credentials/ Security Desk; Transportation Desk; Production Offices; Pageant Operations</p> <ol style="list-style-type: none">1. Climate Controlled2. Seventy 6ft. or 8 ft. tables3. 100 stack chairs4. Two high volume photocopiers5. (55 copies/minute or higher with stapler & sorter)6. Power distribution as needed7. Waste baskets and trash cans8. Wall partitions per request9. Free Parking10. One large conference table to seat 25 with chairs (if applicable)11. Adequate lighting12. Daily cleaning service13. Daily security14. One plain paper fax machine15. Three large bulletin or pegboards for receptionist area
TBD	<p>Executive Offices (1,200 sq. ft., 1-2 rooms)</p> <ol style="list-style-type: none">1. Climate Controlled2. Ten 6 ft. or 8 ft. tables3. One sofa4. Two easy chairs5. One coffee table6. Five office chairs7. Ten stack chairs8. Phone lines & instruments (per contract)9. Power distribution as needed10. One TV monitor & VCR11. Waste baskets & trash cans12. Daily cleaning service13. Daily security14. One plain paper fax machine

<u>Space</u>	<u>Use</u>
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TBD	Registration & Fittings Area (5000 - 6000 sq. feet) (usually located within the delegate hotel)
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1. Climate Controlled
2. 100 - 120 amps electrical power
3. 100 - 150' (apr.) pipe & drape (or some acceptable form of dividers)
4. apr. 25 rolling garment racks (minimum 6' per rack)
5. apr. Fifteen 6 ft. or 8 ft. banquet tables
6. 50 folding chairs
7. apr. Fifteen standing mirrors
8. Telephone access for local and & long distance communication

Registration & Fitting Makeup area

9. 6 - 8ft. tables
10. 20 folding chairs (stools are preferable)
11. 6 - 3ft x 1ft mirrors
12. Adequate makeup lighting
13. apr. 150 amps for area

TBD	Rehearsal Hall (identified as the same venue as the primary Facility (Municipal Auditorium) (4,000 sq. ft., preferred location in/close to delegate hotel). Host acknowledges Universe's advice that an additional rehearsal facility will be required by Universe during the Pageant Period. Host will use reasonable business efforts to assist Universe in securing an additional rehearsal facility at no cost or at a reduced cost.
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1. Climate Controlled
2. Wood floor (minimum 40' x 60')
3. Phone line & instrument
4. 100 stack chairs
5. Five 8ft. tables
6. Cassette and CD stereo system
7. Wireless lavalier & hand held microphone/ public address system
8. Dance studio mirrors (approximately 8' high x 48' to 56' long)
9. Daily cleaning service
10. Daily security
11. Private meal area with tables & chairs adjacent to rehearsal area.
12. Restrooms with amenities (i.e. Toilet paper, etc.)

TBD	Delegates Dressing Rooms
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1. Climate controlled
2. Mirrors for 51 dressing areas
3. 30 clothing racks and hangers (approximately 140' of rack)
4. 51 chairs
5. Tables for 51 make-up stations
6. Make-up style lighting
7. Daily security when in use
8. Locking doors
9. Restrooms with amenities (i.e. Toilet paper, etc.)
10. Power distribution to each make-up station

<u>Space</u>	<u>Use</u>
TBD	Principal Talent Dressing Rooms (Up to 8 star dressing rooms) <ol style="list-style-type: none"> 1. Climate Controlled 2. Furnished and dressed rooms 3. Mirrors for dressing areas 4. Clothing racks and hangers (approximately 8' of rack) 5. 3 chairs per room 6. Table for make-up stations 7. Make-up style lighting 8. Daily security when in use 9. Locking doors 10. Restrooms with amenities (i.e. Toilet paper, etc.)
TBD	Secondary Talent Dressing Rooms (Up to 3 rooms) <ol style="list-style-type: none"> 1. Climate Controlled 2. 6' or 8' tables (Number TBD) 3. Mirrors for dressing areas (Number TBD) 4. Clothing Racks and hangers (Number TBD) 5. 30 chairs
TBD	Holding Area for Local Talent (If applicable) <ol style="list-style-type: none"> 1. Sufficient mirrors, lights, tables, clothing racks & chairs.
TBD	Props Department <ol style="list-style-type: none"> 1. Air Conditioned 2. Tables & Chairs 3. Pipe & draping 4. Locking door for storage area 5. 10 secretarial chairs with wheels & dark fabric (for judges)
TBD	Wardrobe Department <ol style="list-style-type: none"> 1. Air Conditioned 2. Three full length mirrors 3. Two tables, four chairs 4. Clothing racks & hangers 5. Locking doors 6. 2 sewing machines 7. 2 steamers 8. 2 Irons & Ironing boards
TBD	Food Services- Delegates <ol style="list-style-type: none"> 1. Dining area for meals & snack breaks 2. Food prep area-kitchen area 3. 12 tables (preferably round) of ten with chairs (must sit 90 people.)

<u>Space</u>	<u>Use</u>
TBD	Judges Briefing Room <ol style="list-style-type: none">1. Conference style set-up for 18 persons (5 days)2. Restroom/changing area accessibility.3. Not within proximity of delegates.
TBD	VTR Edit Room (Approximately 1,200 sq. ft.) <ol style="list-style-type: none">1. Air Conditioned (approximately 6 tons)2. Specifications provided by VP-Production3. Six 8' tables & chairs4. Power distribution for edit equipment5. One couch6. Six nice office chairs with wheels
TBD	Media Center (approximately 1,200 square feet) <ol style="list-style-type: none">1. Air Conditioned2. Twenty 8' tables3. Thirty stack chairs4. One high volume copier with stapler & sorter5. One plain paper fax machine6. Phone lines & instruments (including lines for press)7. Power distribution as needed8. Waste baskets and trash cans9. Daily cleaning service10. Daily security11. Wall partitions per request12. Two large bulletin boards
TBD	Press Conference Center/ Media Viewing Center <ol style="list-style-type: none">1. Theater style setting for 1002. Stage with podium & microphone and stage dressing3. 8' x 16' x 2' stage, carpeted and skirted4. Adjacent to Media Center5. Two 32" televisions with cable access for viewing of show6. Two tables for craft service
TBD	VIP Room (Sponsors/ VIP Guests) <ol style="list-style-type: none">1. Tables/Chairs2. Day of Telecast- Light Refreshments (coffee/tea, soft drinks, snacks)
TBD	Storage Room <p>Locked room or storage space sufficient in size for securing Universe's souvenir merchandise overnight and/or when it is not being sold.</p>

<u>Space</u>	<u>Use</u>
TBD	Photographer's Dark Room <ol style="list-style-type: none">1. Hot & cold running water2. Air conditioned & ventilated3. Power distribution as needed4. Totally dark5. Direct dial phone lines (as per contract)
TBD	Make-up Area (Next to stage) <ol style="list-style-type: none">1. Approximately 800 to 1,000 sq. feet2. Fifteen 6' or 8' tables3. Forty stack chairs4. Full length mirrors5. Make-up station style lighting & mirrors6. Power distribution as needed
TBD	Quick Change Areas for Semi-Finalists, Co-Hosts and Principal Talent as applicable <ol style="list-style-type: none">1. Close proximity to stage or where needed2. Sufficient table, chairs, lighting

MISCELLANEOUS

Universe will supply a list of office/stationery supplies to be furnished by Host (e.g.: pens, pencils, markers, copy paper (plain white & 3-hole/ various colors); scissors; tape dispensers; notebooks; notepads; paperclips; envelopes; post-it notes; 3-hole punches; staplers and the like).

Host shall provide maintenance service for all equipment to be furnished by Host. Host shall also provide portable bathroom facilities, if required.

Please note that the content of the show, i.e. scenic elements, costuming, etc., can dictate a change of our requirements or needs

Exhibit "B"
MISS USA Pageant

Power Distribution

The previously described generators need to distribute isolated power. This service will be approximately 400' from the generator location. This power needs to be distributed with E1016 cam-loks on Type W 4/0 cable. The following estimated specific services are subject to the approval of Universe Department Heads and shall not be considered final until indicated in writing after inspection of the Facility and shall not be unreasonably increased:

Lighting

2400 Amps per leg 3 phase 5 wire power. This should be 6-400 amp 3 phase 5 wire services for a total of 7200 amps 120 volt 60 cycles.

Video

200 amps per leg 3 phase 5 wire power
For a total of 600 amps 120 volt 60 cycles

Satellites

150 amps per leg 3 phase 5 wire power
For a total of 450 amps 120 volt 60 cycles

Audio

100 amps per leg 3 phase 5 wire power
For a total of 300 amps 120 volt 60 cycles

Facility & Editing

To be determined

Exhibit "C"
MISS USA Pageant

HOST COMMITTEES & PERSONNEL

Host acknowledges and agrees to assist Universe to establish the following committees with chairpersons to work with Universe's staff to coordinate the pageant. Individuals may fulfill multiple roles:

Pageant Coordinator	Media/PR
Judges Coordinator	State Gifts/Auction Coordinator
Concessions	Protocol
Coronation Ball	Hotel/Housing
Credentials/Security	Special Events
Facilities	Television Production Liaison
Finance	Tickets
Food/Beverage	Transportation
Volunteers	Welcoming Committee

In addition, Host further acknowledges its obligation to assist Universe to provide the following personnel to assist throughout the Pageant Period. Host will assist with referrals, sources and through direct solicitations efforts. Approximate numbers are as follows:

Office Receptionist	5	(Two people at all times to answer phones, take messages, etc.)
Runners w/cars	5	
PR Volunteers	2	
Locations/Remotes	2	
Seamstresses	3	
Registration & Fittings	10	(2 days only)
Hair & Makeup:		
a)	Registration & Fittings	(10 Hair & 10 Makeup)
b)	Remote Shoots	(Varies, Usually 6 Hair & 6 Makeup)
c)	Presentation Show	(10-15 Hair & 10-15 Makeup)
d)	Pre-Tape Opening	(10 Hair & 10 Makeup)
e)	Show	(10-15 Hair & 10-15 Makeup)
d)	Pre-Tape Opening	(10 Hair & 10 Makeup)

Exhibit "D"
MISS USA Pageant

DELEGATE HOTEL SPECIFICATIONS

There are special requirements necessary to accommodate the 51 delegates. Basic fundamental needs include:

- Two (2) double/queen beds per room (Total - 26 rooms; 2 delegates per room)
- Full length mirror
- Adequate bathroom vanity space for 2 delegates to share
- One (1) garment rack per room
- Telephone and 24-hour phone service (multi-line switchboard for high volume of calls received and placed)
- Television
- Maid and linen service
- Access to laundry and dry cleaning service
- Supplementary towels and facial tissues
- Access to safety deposit boxes

Approximately 17-19 additional single rooms are required for Delegate Supervisors, Delegates Manager, Assistant, Nurse, etc.

Exhibit "E"
MISS USA Pageant

Generator Specifications

The electrical supplier should provide two 1250kw generators that are self enclosed with a sound level of 65dba or less at 50 feet. The generators should be able to produce 208 and/or 480v 3 phase at 60 cycles. The generators need to be electronically governed, load sharing and synchronized. The generators should meet all entertainment standards for voltage and frequency regulation. All generators must have self contained fuel tanks for twelve hours of operation.

The generators must be able to seamlessly parallel together by means of isosynchronous load sharing. No droop load sharing will be acceptable. A one line drawing of the proposed electrical layout must accompany your generator proposal including a description of your paralleling method.

EXHIBIT "F"
MISS USA Pageant

CRAFT SERVICES

Host will assist Universe to provide craft services for the following categories:

Delegates & Delegate Supervisors
Executive/Production Staff
Stage Crew
Production Crew (TV Truck & Edit Truck)
Talent

Delegates & Delegate Supervisors

Beverages and snack products to the delegates in hospitality suite(s) in delegates' host hotel, rehearsal hall, telecast venue and remote locations. Items need to be replenished throughout the day and restocked daily, including paper and plastic products (paper towels; paper or plastic plates; plastic utensils; Styrofoam and plastic cups; napkins)

Because of the delegates' strenuous schedule, it is extremely important the snacks be nutritionally balanced and that plenty of non-carbonated bottled water, pure juice, soda, coffee, tea and milk are available (type of beverages vary per location). Coolers and soda fountains are fine for hotel and venue locations, while bottled products work better for remote location, traveling, etc.

Snack suggestions include:

peanut butter and jelly; bread, muffins and bagels (with assorted condiments); granola bars, candy, fresh fruit, chips, pretzels, cookies/crackers, popcorn, nut mix, raisins.
Snacks may be rotated throughout Pageant Period.

Quantity of craft services required for each location (venue, hotel, rehearsal hall, offices and remote locations) will vary depending on the number of delegates, delegate supervisors, production staff, filming crew and security at each location.

Executive/Production Staff & Media Offices

Executive/Pageant/Production/ Media Offices: Craft services required for 30 - 50 people (arrivals are on a staggered basis, with numbers increasing as move closer to Finals telecast).

Stage Crew (25 - 100 people) staggered based on crew calls

Craft services to commence at venue load-in and continue through striking of set.
Snack suggestions are the same as above (easy but high energy) with emphasis on beverages, especially bottled water.

Production Crew (TV Truck & Edit Truck)(10 - 25 people)

Craft services to commence at the start of editing and continue through Finals Telecast.
Snack suggestions are the same as above.

Talent

Includes Host, Co-Host(s), Celebrity Interviewer (if applicable, Musical Guest(s), and Titleholder.
Craft services for Talent require items be placed in their respective dressing rooms daily. This service customarily begins 3-5 days prior to Finals telecast.

Craft services are to be provided pursuant to instructions received from Universe's Operations Coordinator, with precise quantities and requested food items to be specified at that time.

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
CONVENTION AND VISITORS BUREAU**

TO: Mayor and City Council

FROM: Dale Lockett, Acting Director Convention & Visitors Bureau

THROUGH: Terry M. Brechtel, City Manager

COPIES: Roland A. Lozano, Assistant to the City Manager;
Andrew Martin, City Attorney;
Edward C. Garcia, Convention Facilities

SUBJECT: 2003 Miss USA Pageant Hosting Agreement

December 19, 2002

SUMMARY AND RECOMMENDATIONS:

This ordinance authorizes the Convention and Visitors Bureau to enter into a Hosting Agreement on behalf of the City of San Antonio with Miss Universe L.P., LLLP in order to host the 2003 Miss USA Pageant at Municipal Auditorium scheduled for broadcast on March 24, 2003 on the National Broadcasting Company (NBC) network, and authorizing payment in an amount not to exceed \$500,000 for associated staging and production requirements.

Staff recommends approval of this Ordinance.

BACKGROUND:

Over the past 30 years, the Columbia Broadcasting System (CBS) network has televised the Miss USA Pageant. Recently, Miss Universe L.P., LLLP entered into a five (5) year contractual agreement beginning in 2003 to televise the Miss Universe, Miss USA and Miss Teen USA Pageants on the NBC network.

The NBC Network will broadcast the pageant live from San Antonio's Municipal Auditorium on Monday, March 24, 2003, with additional support from the Telemundo Network. Additionally, it will be internationally syndicated to approximately 50 countries around the world. Various taped segments of the show will take place at locations around our City.

POLICY ANALYSIS:

Hosting the 2003 Miss USA Pageant is a premier destination marketing opportunity for San Antonio and will allow our City to gain major national and international media exposure, reinforcing to millions of viewers that San Antonio is a world-class destination,

and one of the most beautiful backdrops anywhere for national and international television production.

During the NBC broadcast on March 24, 2003, San Antonio will receive nine (9) minutes of television exposure to a world-wide audience resulting in an estimated \$2 million in associated advertising value. Over the pageant period, Miss Universe will videotape activities in various remote locations throughout the City showcasing our destination. Broadcast on CBS in 2002, the Miss USA Pageant was watched by approximately 7.6 million consumers. It is anticipated that due to the NBC networks commitment to the Miss USA pageant the audience exposure will far exceed the 7.6 million viewers in 2002.

Miss Universe brings a strong community investment into the host city through community outreach and promotional events. The CVB team will build upon these promotions with Miss Universe for various public relations opportunities.

Additional exposure opportunities are available for local participating partners such as telecast exposure, program book, internet, promotional events, press opportunities, VIP tickets, and other opportunities.

The City's financial obligation to Miss Universe for staging the 2003 Miss USA Pageant is \$400,000 with an additional \$100,000 committed for the various hosting requirements related to accommodations, promotion, meals, security, telephones, transportation and facilities. The total financial obligation to Miss Universe is \$500,000.

With regards to hosting requirements, this is a major production opportunity and calls for a true public/private partnership. The City of San Antonio staff will work with Miss Universe L.P., LLLP to obtain either complimentary or reduced rates for various hosting requirements such as hotel accommodations (up to 2,600 room nights), security, meals, local ground transportation, parking, telephones, craft services, functions, and ancillary events. The City's financial obligation to Miss Universe L.P., LLLP towards these hosting requirements is limited to the \$100,000 noted above.

The Miss USA production will utilize the Municipal Auditorium for the period March 9, through March 28, 2003. The City may incur costs associated to the facility, in-house security, and other related promotional and operational needs of the event. An accounting of any additional costs will be maintained as they may develop. It is recommended these costs may be reimbursed to the City from funds designated for event development, if available from the Pan American Games reserve.

FINANCIAL IMPACT:

The City's financial obligation to Miss Universe L.P., LLLP is not to exceed \$500,000. These funds are appropriated in the FY 2003 adopted budget for event development and were derived from the Pan American Games reserve. The breakdown of funding requirements is \$400,000 for staging the 2003 Miss USA Pageant and up to \$100,000 to be

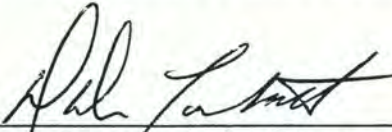
applied to various related hosting requirements. The City may incur additional internal costs for facility, in-house security, as well as enhanced promotional and operational efforts. These costs may be reimbursed to the City from funds designated for event development, if available from the Pan American Games reserve or from the operating budget.

COORDINATION:

This hosting agreement has been coordinated with the City Attorney's Office, Convention Facilities and Convention and Visitors Bureau.

SUPPLEMENTARY COMMENTS:

A Discretionary Contract Disclosure Form has been completed and is attached.

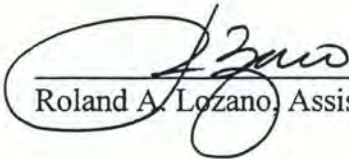


Dale Lockett, Acting Director
Convention & Visitors Bureau



Edward C. Garcia, Director
Convention Facilities

Approved:



Roland A. Lozano, Assistant to the City Manager



Terry M. Brechtel, City Manager

City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract:

N/A

(2) the identity of any business entity that would be a party to the discretionary contract: Miss Universe L.P., L.P. and the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract:

N/A at this time.

(B) any individual or business entity that is known to be a partner, or a parent or subsidiary business entity, of any individual or business entity who would be a party to the discretionary contract:

Donald J. Trump; Trump Pageants, Inc., Trump Hotels and Casino Resorts Holdings, L.P.; NBC Pageants, Inc.

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract:

N/A

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.


Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current or former member of City Council*, any *candidate for City Council*, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
N/A		

Disclosure of Conflicts

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

N/A		
Signature: 	Title: V.P., Legal Affairs Company: MISS Universe L.P., LLC	Date: 12/12/02

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

2003 Miss USA Pageant Hosting Agreement

**Agenda Item # 33
December 19, 2002**

Summary & Recommendation

This ordinance authorizes the Convention and Visitors Bureau to enter into a Hosting Agreement on behalf of the City of San Antonio with Miss Universe to host the 2003 Miss USA Pageant at Municipal Auditorium scheduled for broadcast on March 24, 2003 on the National Broadcasting Company (NBC) network and authorizing payment in an amount not to exceed \$500,000 (\$400,000 Staging and \$100,000 Hosting Requirements)

Background

The Columbia Broadcasting System (CBS) network has televised the Miss USA Pageant since 1972

Recently, Miss Universe L.P., LLLP entered into a five (5) year agreement beginning in 2003 to televise the Miss Universe, Miss USA, and Miss Teen USA Pageants on the National Broadcasting Company (NBC) Network

Background

**NBC will broadcast the pageant live from
Municipal Auditorium in San Antonio on
Monday, March 24, 2003**

**(Telemundo's participation will be driven by
NBC's current negotiations with Telemundo)**

**Additionally, it will be internationally
syndicated to approximately 50 countries
around the world**

Policy Analysis

Hosting the 2003 Miss USA Pageant is a premier marketing opportunity for San Antonio allowing our City to gain major national and international media exposure

Reinforces to millions of viewers San Antonio is a world-class destination and one of the most beautiful backdrops for national and international television production

Policy Analysis

During the pageant period (approximately March 10 to 24, 2003), Miss USA will videotape activities in various remote locations throughout the City, showcasing our destination

In 2002, Miss USA was broadcast on CBS, and approximately 7.6 million consumers viewed the event

Due to the NBC networks commitment to Miss USA, it is anticipated the audience will far exceed the 7.6 million viewers in 2002

Policy Analysis

San Antonio will receive nine (9) minutes of television exposure during the broadcast scheduled for March 24, 2003

- Three (3) minutes direct**
- Six (6) minutes indirect**

Associated advertising value of at least \$2 million

Policy Analysis

Souvenir Program Book

- Up to five (5) full-page advertising pages
- Up to five (5) full page editorial pages

Reciprocal Links between Universe's Official Web site for the Pageant and the City's Official Marketing (SACVB) Web site

Promotional Opportunities

Policy Analysis

Public/Private Partnership Opportunities

Miss Universe brings a strong community investment into San Antonio through community outreach and promotional events

The CVB Team will build upon these promotions with Miss Universe for various public relations and marketing opportunities

City staff will work with Miss Universe and local industry partners to organize local Host Committees and Volunteers

Policy Analysis

Public/Private Partnership Opportunities

Miss USA and City staff will work with the Host Committees and industry partners to obtain complimentary or discounted rates for various requirements including:

- Hotel accommodations (up to 2,600 room nights)**
- Security**
- Meals**
- Local ground transportation & parking**
- Telephones**
- Craft services**
- Functions and ancillary events**

The City's financial obligation to Miss USA towards the above requirements is limited to \$100,000

Policy Analysis

Additional Host Requirements:

The City will incur additional costs associated to the above Hosting requirements currently estimated at \$225,000

- Use of Municipal Auditorium for approximately a 20 day period currently scheduled to begin March 9 - 28, 2003
- Equipment Rental \$14,500
- Stage Hands \$90,000
- In-House Security \$30,000
- Electrical Generators \$14,000
- Telephone & PC lines/Cells \$24,000
- Miscellaneous \$12,500
- CVB Sponsor/Volunteer Efforts \$40,000

Financial Impact

Staging of Event	\$400,000
Miss USA Production Costs	<u>\$100,000</u>
Total	\$500,000

Additional Internal City costs estimated at \$225,000

Funds for this promotion were derived from the Pan American Games reserve and have been appropriated in the FY 2003 Adopted Budget for event development

2003 Miss USA Pageant Hosting Agreement

Staff Recommends Approval

2003 Miss USA Pageant Hosting Agreement

**Agenda Item # 33
December 19, 2002**